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## Japan

### Market Development Reports

#### Food Business Line

- Periodic Press Translations

2005

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**Report Highlights:** Mr. Isao Nakauchi, the founder of *The Daiei, Inc.* passes away; *Ito Yokado Co., Ltd.* and *Aeon Co., Ltd.* start a new traceability system with QR codes that can be read by cellular phones; The top food service chain in Japan, *Skylark* strengthens its position in Japan's HMR segment; The ratio of people over 65 years old increased to 20.0% of Japan's total population for the first time in history; *Aeon Co., Ltd.* maintains its image by acquiring fisheries products made without use of antibiotics and; The popularity of U.S. tree nuts sales in Japan remains steady.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2]  
[JA]



## Food Business Line

Periodic Press Translations from ATO Tokyo Vol. V, Issue 15 September 16-30, 2005

### Retail/Wholesale

- Mr. Isao Nakauchi, the founder of *The Daiei, Inc.* and the former successive vice chairman of the Federation of Economic Organizations, passed away September 19 at the age of 83. Created during Japan's high growth post-war era, Nakauchi developed *The Daiei, Inc.* into a \$45 billion company based on the original marketing philosophy to sell housewives quality products at low prices. (a. 9/20)
- *Ito Yokado Co., Ltd.* and *Aeon Co., Ltd.* started a new traceability system which enables consumers to check for information on a product's production record and related recipe information using their own cellular phones which can read a QR (quick response) code\* attached to the products in the store. (a. 9/30)

*\*Note: QR Code is a 2-D (two-dimensional) symbol that is easily interpreted by scanner equipment. Unlike the normal bar code, the QR Code essentially contains two-dimensional information. Consequently, the QR Code holds a considerably greater volume of information than a bar code.*

### Food Service

- Home delivery services specializing in foods appropriate in treatments for lifestyle related illness and weight control is expanding in Japan. These delivery services, licensed under MHLW's regulation for "Special Dietary Use Food" also produce menus developed by famous hotel chefs. (b. 9/19)
- The top food service chain in Japan, *Skylark* will obtain a 30% share in stocks of *Kozosushi So-Honbu Co., Ltd.* (Japan's leading take-out sushi chain) to become its largest single stockholder. This M&A activity is a part of *Skylark's* plan to strengthen its HMR business. (a. 9/28)

### Food Processing/New Products/Market Trends

- Consumption of a variety of products including confectionary products using millet has been increasing in Japan following the health boom. Chain restaurants and bakeries have developed menus using millet and supermarkets have expanded the shelf space for millet products. (a. 9/15)
- *Sapporo Beverage Co., Ltd.*, a subsidiary of *Sapporo HD*, will stop production of soft drinks at its own factory by the end of September. The entire production requirement will be consigned to an outside source due to increased cost caused by the soared price of oil. (a. 9/17)
- According to the population estimate announced by Ministry of Internal Affairs and Communications, the ratio of people over 65 years old increased to 20.0% of Japan's total population for the first time in history. (a. 9/19)

**Food Safety/Consumer Awareness**

- According to the consumer survey conducted by *Sizzler's*, one of *Royal Holdings'* food service chains, 82% of the 427 people responded think the labeling for the product's origin is needed at the restaurants. (b. 9/26)
- In countries like Thailand and Chile, *Aeon Co., Ltd.* is overseeing fisheries cultivation without the use of antibiotics and synthetic antibacterial drugs with records that document the operation from hatching to processing in order to promote the safety image of its private brand and to upgrade the company's overall image. (b. 9/26)
- Major *gyudon* beef bowl chains *Sukiya* and *Zensho Inc.* will start displaying the place of origin for major food ingredients including beef, pork, rice and some vegetables in order to promote their products' safety and reliability to the consumer. (a. 9/21)

**ATO/Cooperator/Competitor Activities/Trade Shows**

- There was a big demand for tree nuts including walnuts and almonds following the health boom among consumers, but growth has begun to relax according to the import statistics from January thru July 2005 compared with that of 2004. However, the popularity of tree nuts is steady and the associations representing tree nuts in Japan have plans for a variety of promotional activities. (f. 9/15)
- California Table Grape Commission has announced its marketing plan in Japan. It will conduct sample tasting sessions for consumers in order to promote eating California table grapes with the skin on and the health benefit of the skin's polyphenol content. (f. 9/19)

 **Sources**

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |
| (g) Fuji Sankei Business I       | (h) Pan News                            |

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